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24 JUL 1970

MEMORANDUM FOR: Director of Personnel
VIA : DD/Pers/SP
SUBJECT : Annual Report - Fiscal Year 1970

Forwarded herewith is the Fiscal Year 1970 Annual Report for Contract Personnel Division.

[REDACTED]
Deputy Chief
Contract Personnel Division

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Summary of Accomplishments

1. Expansion of automatic data processing to provide additional information including processing of periodic step increases.
2. A retirement program for selected non-staff personnel is about completed with immediate approval anticipated.

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4. Unemployment compensation authorized contract personnel.

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6. Service computation requirements have heavily increased to the almost full-time services of a technician.
7. Revision and efforts to publish contract Handbook continues.
8. Review and reduction of contract needs continues.
9. Monitoring existing contracts and requests for preparation of contracts for retired annuitants continues as an exacting task.

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SECTION I. HIGHLIGHTS

1. Automatic data processing has now become an accepted part of the scene. The emphasis upon tight personnel ceiling controls underscores the timeliness of the installation of the system through the assistance and increased accuracy that it provides. Although limited in its application, it is a beginning and the first year of its operation has been a "shake down" period in which mistakes and omissions have been corrected and the consumer has begun to learn how to use and profit from the system. On a modest scale we are now beginning to extend the information and service aspects with the anticipation of eventual extension to cover the full contractual spectrum.

2. Non-staff retirement after a long period of cautious development and consideration is at the brink of being launched as a formal Agency program. This coming year will witness its approval and the processing of initial retirement cases under its provisions.

3. Review of CPD terminated contract files proceeds at a pace commensurate with the time available for their individual review which is limited because of heavy work load demands upon the time of the technicians. Reductions have been made during the past year and will continue to be made in the future.

4. Publication of a contract Regulation and Handbook is a continuing major, concentrated effort and goal. This past year witnessed a major setback; however, efforts were immediately made to overcome our problems and once more, it is hoped, we are back on the path toward approval and publication.

5. Retired annuitants continue to be a strictly maintained and audited category of personnel. No substantial change in number or in policy relating to their hire and use is anticipated.

6. Service computation requirements are reaching such proportions that the possibility of task force application for an early resolution of the work load is a strong possibility.

7. Social Security remains at a high level of interest. This area has become particularly important in the mechanics of the proposed non-staff retirement program. Activity will inevitably continue to increase in this area because of the tremendous inclusive impact that this law has upon the lives of all citizens.

8. The possibility of a program of field audit of contracts is a consideration by this division for a possible improvement in the system of contract administration.

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SECTION II. ACCOMPLISHMENTS1. The Application of ADP System to Contract Personnel.

Automatic data processing is no longer an innovation but part of the daily scene and activity within Contract Personnel Division. The flow, translation and storage of information has now assumed routine rythm of accomplishment. Initial difficulties, oversights or corrections have been essentially identified and corrected and sights set on the improvement and expansion of the program. Specifically, expansion has taken place in the sense that additional individual information is now recorded and the timely processing and award of periodic step increases is assured for individuals, when they are authorized. The PSI processing was formerly the responsibility of the individual unit personnel officers. If his records were not accurate and if he failed to maintain a "tickler" system, the result would be an occasional oversight and failure to timely process an action.



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3. Unemployment Compensation.

For a considerable number of years Federal regulations and Executive Orders have denied eligibility of Agency contract employees for unemployment compensation. Earlier attempts by this Agency to gain exception to the rule were prepared and coordinated with near approach to acceptance but met with failure through an adverse ruling of the Civil Service Commission and the Department of Labor. Recent volunteered remarks by Labor Department officials indicated that another request for consideration might be more favorably received.

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Pursuant to Contract Personnel Division request, the Office of General Counsel, with the cooperation of the Department of Labor and the Civil Service Commission, after receiving pertinent legislation and regulation, submitted an opinion that contract personnel, subject to Social Security coverage and who were formerly denied unemployment compensation by virtue of Title XV of the Social Security Act, by virtue of recent changes in the laws and regulations, are no longer precluded from such benefit.

4. Retirement.

Increasing demands continue to be placed upon this division for study and further development and refinement of a non-staff retirement program. Studies have been completed, coordinated and revised gradually, with general acceptance edging toward a solution only to fall short because of an objection raised in coordination which had to be overcome. Pending resolution of objections, resultant revisions, and subsequent coordination and approval, each retirement situation has had to be faced on an ad hoc basis and developed individually. However, for consistency, basic accepted principles contained in the basic study as prepared for final approval have been applied in achieving each case determination.

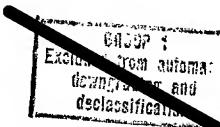
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system contributed substantially to the delay in final approval and inauguration of the program. Disagreements have been resolved, full coordination is about to be achieved undoubtedly followed by approval of the paper outlining the program. Beyond approval and for the year to follow will be the establishment of detail and procedure, the writing of regulations and actual application.

5. Records Management.

An effort continues to reduce the amount of division records; however, such effort is subject to and must give way to the pressures and demands of daily work requirements. The pace of reduction of records already slowed by confinement to periods of spare time is further confined by the requirement of individual file review by a senior technician. At the time of initiation of the program, Contract Personnel Division had a total of 129 boxes of files stored in the Records Center. This total has now been reduced to 92. The rate of progress judged by total number of boxes is deceptive inasmuch as what does not appear in tangible form is the current review and consolidation of currently terminated files which is done before the files are retired.

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6. Reemployed Annuitants.

The total number of reemployed annuitants remains fairly static and under continuing strict regulatory controls and monitoring. If there is a trend that can be determined in the use of this type of personnel it would appear that there is an increased demand and use of retired personnel for writing Agency histories. There also appears, to a lesser degree, a realistic consideration to employ those individuals possessing unique skills, backgrounds and associations in operational situations. Each individual case is carefully scrutinized and evaluated as to justification. Not only original submissions are required to be justified and approved but each extension and action involving such personnel and particularly compensation levels are also required to be justified and senior level approval obtained.

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8. Service Computation.

What was for years a service provided by this division requiring minimal attention has recently and specifically during the year just completed, evolved into a full-time occupation involving considerable and extended research and personal consultation. The emphasis and attention now centered upon retirement has contributed to the augmentation of this activity and has involved this office in continued adjudication of factual patterns which contrast to the labels of employment categorization selected and assigned during the early days of the Agency.

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9. Proposed Revision of the Contract Handbook and Regulations.

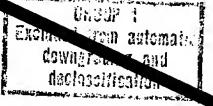
The beginning of the past fiscal year held great promise for the early publication of the long belabored contract regulations and Handbook. However, a decision by the Clandestine Service to remove Contract Agents from the purview of the regulations obligated a major revision and rewriting of both the regulations and the Handbook to obtain language acceptable to all concerned. The resolution of differences between the offices concerned in the rewritten versions represents the present objective and upon final achievement of that goal the long path of formal coordination still lies ahead.

10. Contract Personnel Management.

The last annual report contained initial remarks in this area of consideration and division effort. Originally the Contract Personnel Division was conceived and preoccupied with merely a service of technical expertise in the formulation and production of contracts. Maturity and experience has added much more to this basic concept. This division has evolved into a compendium of all that concerns an individual engaged by contract. There has also been a growing emphasis and realization that each document represents an individual and that with each document there is a dual obligation of protection of the interests of the individual and of the Government. In the light of the foregoing, this division has pioneered many of the personnel gains now enjoyed by contract personnel as a normal incident of their relationship to the Government.

By virtue of the fact that this and most other Government agencies and departments are not familiar with the administrations and management of contract personnel, they have sought our advice and consultation in the administration of their own contract programs. Model contracts and agreements have been prepared for them upon request and assistance given in the resolution of their particular problems.

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Plans and Objectives - 1971

1. Completion of review and reduction of records in Archives.
2. Completion of coordination and final publication of the contract regulation and Handbook.
3. Completion, coordination and publication of a regulation and procedures relative to non-staff retirement program.
4. Initial planning and trial for feasibility of field contract inspection program.
5. Organization of task force for reduction of mounting volume of service computation requirements.
6. Expanded flexibility and use of PERCON to provide availability of specialized information and reports.
7. Publication of regulation [REDACTED] "Procurement contracts for the services of individuals", will create an opportunity of experience in pursuit of understanding and better definition in the long term confusions between areas of jurisdiction of industrial vs personal services contracts.
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Plans and Objectives - 1972

1. Continued sophistication of PERCON may achieve level of acceptance and reliability whereby it may eventually serve as authority upon which Finance will base payments to personnel under contract.

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